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General Assembly

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Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development
Organizational session

Consultations on the potential modalities of the participation of all relevant stakeholders in both the substantive preparatory process and the high-level intergovernmental event on financing for development

Report of the Secretary-General

1. The present report has been prepared in response to General Assembly resolution 54/196 of 22 December 1999, in which the Assembly, requested the Secretary-General, in consultation with Member States and within the context of paragraphs 20 and 21 of the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development[1] and paragraphs 17 and 18 of Economic and Social Council resolution 1999/51, to initiate as soon as possible preliminary consultations with all relevant stakeholders, in particular the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO), on the potential modalities of their participation in both the substantive preparatory process and the high-level intergovernmental event, and also requested the Secretary-General to provide the results of the consultations to the Preparatory Committee for consideration at the first part of its organizational session.

2. Since the adoption of the General Assembly resolution, the Secretariat has contacted a wide range of relevant stakeholders, drawing their attention to the resolution, in particular to the wish of the General Assembly that both the preparatory process and the high-level intergovernmental event should involve their participation. Stakeholders were invited to make comments and suggestions regarding potential modalities of participation in both the substantive preparatory process and the high-level intergovernmental event. In addition, as indicated above, a questionnaire was posted on the Financing for Development web site (www.un.org/esa/analysis/ffd/ques00.htm) also inviting interested parties to submit suggestions regarding modalities of participation. This questionnaire has been advertised through electronic means, including announcements on various related web sites. Finally, there were preliminary consultations with non-governmental organizations in New York on the question on 20 January 2000.

3. In response to paragraph 17 of General Assembly resolution 54/196, it is the intention of the Secretary-General to establish a self-standing central secretariat for the financing for development process under the authority of the Under-Secretary-General for Economic and Social Affairs. The secretariat would act primarily as a coordinating body for the substantive work needed to support the Preparatory Committee and the final event, including inputs from issue-oriented teams, task managers, and regional and other arrangements that

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will be made to engage all concerned parties in the process. The overall support for the process would thus involve not only staff and other resources provided to the central secretariat, but also inputs and support for the decentralized processes.

4. The preliminary consultations regarding modalities of participation with institutional partners included consideration of such arrangements. All those concerned welcomed the opportunity to participate in such arrangements, as relevant, and also indicated that they would make written material available to the process. The World Bank indicated that it was favourably inclined towards the possibility of seconding staff to the central secretariat and a number of others indicated that they would explore the matter.

5. Within the United Nations itself, the request of the General Assembly was brought to the attention of all relevant parts of the Secretariat, in particular the United Nations Conference on Trade and Development (UNCTAD), the regional commissions and the other entities that form the Executive Committee on Economic and Social Affairs, as well as the United Nations funds and programmes that comprise the United Nations Development Group. It is envisioned that these two executive committees might serve as coordinating mechanisms for contributions from their members to the financing for development process. The subject has therefore been put on the agenda of the next meeting of the United Nations Development Group to be held on 1 February 2000, and on the agenda of the next meeting of the Executive Committee on Economic and Social Affairs, on 3 February.

6. In the meantime, UNCTAD has indicated that it will provide full support to the preparatory process and will contribute to both the preparatory process and the high-level intergovernmental event. The UNCTAD secretariat is therefore exploring ways and means of meeting its responsibilities in the implementation of General Assembly resolution 54/196, including adequate support for the secretariat of the Preparatory Committee.

7. Positive responses have also been received from many specialized agencies; all of them expressed their support for the process and their willingness to contribute substantively in accordance with their respective mandates. It is proposed to establish a mechanism under the auspices of the Administrative Committee on Coordination (ACC) to ensure the effective mobilization of the relevant units of the specialized agencies.

I. Consultations with institutional partners

A. World Bank, International Monetary Fund and World Trade Organization

8. Responding to the specific reference to the World Bank, IMF and WTO in paragraph 7 of General Assembly resolution 54/196, the Secretary-General wrote to the President of the World Bank, the Managing Director of IMF and the Director-General of WTO. The letters were followed by a series of consultations with the senior staff of the three organizations, including a visit by the Under-Secretary-General for Economic and Social Affairs for preliminary discussions with the President of the World Bank, the Managing Director of IMF and their senior staff regarding the participation of their institutions in the financing for development process. All such discussions were recognized as being preliminary in that the General Assembly had also requested the Bureau of the Preparatory Committee to undertake subsequent consultations on these matters. The Bureau and its counterpart bodies in the other organizations will have to agree on the modalities of these consultations.

9. The management of all three institutions recognized the potential importance of the financing for development process, its relevance to their work and mission, and the useful role they could play. The management of the World Bank and IMF warmly welcomed the invitation to participate in the process, but both indicated a need for more information on the nature and content of the process as a whole and on the role of their institutions. They indicated that they would report to their respective Executive Boards on the preliminary discussions and seek their views on potential involvement. Both institutions also emphasized that their commitment would necessarily have to be determined in the light of the resource constraints that they were facing. Within this general framework, the discussions with each of these institutions produced some outcomes that were specific to each.

World Bank

10. The management of the World Bank indicated that it had already drawn the attention of the Executive Board to the financing for development process. The Board had been broadly receptive to the involvement of the World Bank in the process. Reflecting the importance it attached to the subject, the Executive Board and the management of the World Bank expressed the hope that the World Bank as an institution would be able to participate fully in both the preparatory process and the final event. As indicated in paragraph 4 above, the management of the World Bank indicated a willingness to consider favourably the possibility of seconding staff to the central secretariat.

11. In pursuing the matter with the Executive Board, it would be useful for the Bureau of the Preparatory Committee to elaborate on the scope and agenda of the final event and to discuss where collaboration may be most useful. In the meantime, the Executive Board is scheduled to hold informal discussions on the World Bank's association with the process on 8 February 2000.

12. With respect to paragraph 10 of General Assembly resolution 54/196 and paragraphs 17 and 18 of Economic and Social Council resolution 1999/51, the management of the World Bank felt that a task force involving the Executive Board was a possibility that could usefully be explored further. During the consultations, it was pointed out that any such task force should act in an informational and advisory capacity rather than as an implicit or explicit decision-making body.

International Monetary Fund

13. In discussions with the management of IMF, it was pointed out that the Executive Board had been informed on the subject and had been provided with General Assembly resolution 54/196 and the report of the Ad Hoc Open-Ended Working Group of the General Assembly on Financing for Development.[1] However, the Executive Board had not given active consideration to the possibility of IMF involvement in the process.

14. In response to the Secretary-General's letter of 22 December 1999 and following subsequent consultations at a senior level, the Managing Director of IMF indicated that the decision by the General Assembly to hold a high-level intergovernmental event on financing for development in 2001 was certainly an important step forward. Regarding IMF participation in the process, the Managing Director would need to elicit the views of the membership. As background, he had made the relevant documents available to the Executive Board. The Managing Director also indicated that the IMF meetings with the Under-Secretary-General for Economic and Social Affairs had provided useful additional information, but that more precision was likely to be needed, in particular on the agenda and institutional aspects. He also said that the consultation process with the Executive Board would need some time.

World Trade Organization

15. In a meeting with the Secretary-General, the Director-General of WTO stressed the need for the United Nations and WTO to work more closely together. These discussions were followed by a written response to the Secretary-General's letter in which WTO referred to the General Assembly resolution as being important and of great interest as financing for development was one of the key international issues in our increasingly globalized and interdependent world. The letter stated that an event on the question should indeed do much to focus attention on the mobilization of financial resources, in particular for poverty eradication, which remained a major challenge in front of all of us. WTO asked to be kept informed of the preparatory process and indicated that it stood ready, within its mandate, to provide an appropriate input whenever possible.

B. Other official international partners

16. The Secretariat was also in contact with numerous official international organizations that are stakeholders in the financing for development process. These included the Organisation for Economic Cooperation and Development (OECD) and the Chairman of its Development Assistance Committee, the Bank for International Settlements, regional and sub-regional development banks and other international development banks (e.g. the Islamic Development Bank).

17. As of 26 January 2000, formal replies to the Secretariat's enquiries were still arriving. There have also been informal discussions and exchanges with several partners. On the basis of the information

available to date, there appears to be great support for the initiative of the General Assembly on financing for development. The importance of the question at the policy level is universally recognized and there is great appreciation for the intention of the Assembly to involve all relevant stakeholders. Every reply to date has pledged to support the General Assembly undertaking, with several institutions having already designated senior officials to coordinate their contributions to the process. The organizations point out, moreover, that, owing to their approach to development and, in particular to development financing, or owing to their particular geographical focus, they can make unique contributions to the process. In many cases, institutions have offered to prepare papers and some have held out the possibility of some staff participation in the preparatory process. The secretariat therefore expects to be able to draw on these institutions to respond to requests from the Preparatory Committee for substantive and technical support. The Chairman of the Development Assistance Committee of OECD has indicated that the High-level Meeting of the Development Assistance Committee in May 2000 will address development finance issues with a view to contributing to the preparations for the United Nations event in 2001.

II. Consultations with other partners

18. As indicated above, the views of other possible partners on the potential modalities of their participation were solicited through both letters and an on-line questionnaire of the Financing for Development web site (www.un.org/esa/analysis/ffd/ques00.htm). The letters were sent to all respondents to the 1999 survey of the views of stakeholders on the possible agenda for an international consultation on financing for development (see A/53/470) other than those referred to above. In addition, an e-mail announcement was sent to all organizations and individuals which had previously indicated an interest in the process through other means.

19. The partners thus contacted comprise a diverse collection, including investment promotion agencies (e.g. the Malaysian Industrial Development Authority); stock exchange supervisory agencies (e.g. the Securities and Exchange Commission, Sri Lanka); regional economic bodies (e.g. the Latin American Economic System (SELA)); central banks (e.g. the National Bank of the Slovak Republic); private sector banks (e.g. Deutsche Bank); transnational corporations (e.g. the General Motors Corporation); research institutes (e.g. the South Centre); policy advocacy organizations (e.g. the International Coalition for Development Action); philanthropic foundations (e.g. the Rockefeller Foundation); religious organizations (e.g., Franciscans International); trade unions (e.g. the International Confederation of Free Trade Unions).

20. Each of these communities of stakeholders has different traditions and practices regarding their engagement with the United Nations, a different potential contribution regarding the financing for development process and different priorities within the proposed scope and agenda of the final event. The Bureau and the Preparatory Committee will need to consider further how its wishes to engage each of these different stakeholder groups in the process and how to undertake its consultations on this matter.

III. Conclusion

21. The initial consultations indicated a wide willingness of stakeholders to participate in the financing for development process. Time did not permit many stakeholders, however, to formulate specific replies on the modalities of participation. Some stakeholders with specific areas of interest were awaiting the outcome of ongoing discussions in the preparatory process before proposing specific modalities for participation. All consultations held on behalf of the Secretary-General were preliminary to those of the Bureau of the Preparatory Committee on these matters.

Notes

[1] *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 28* (A/54/28).

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Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development
Organizational session
February 2000
Item 2 of the provisional agenda
Adoption of the agenda

Provisional agenda for the organizational session of the Preparatory Committee

1. Election of the Bureau and the two Co-Chairmen.
2. Adoption of the agenda.
3. Preparation for the substantive preparatory process and the high-level international event.
4. Arrangements for future sessions of the Preparatory Committee.

Annotations

1. Election of the Bureau and the two Co-Chairmen

Rule 161 of the rules of procedure of the General Assembly provides that "the rules relating to the procedure of committees of the General Assembly, as well as rules 45 and 60, shall apply to the procedure of any subsidiary organ unless the Assembly or the subsidiary organ decides otherwise". Accordingly, the proceedings of the Preparatory Committee are governed by rule 161.

By paragraph 8 of its resolution 54/196 of 22 December 1999, the General Assembly decided to constitute a Bureau of the Preparatory Committee, which would consist of 15 representatives of States Members of the United Nations selected according to the principle of equitable geographical representation and would be presided over by two Co-Chairmen.

2. Adoption of the agenda

The provisional agenda for the organizational session of the Preparatory Committee for the High-level International Intergovernmental Event on Financing for Development has been drawn up on the basis of General Assembly resolution 54/196 of 22 December 1999.

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3. Preparation for the substantive preparatory process and the high-level international event

At its fifty-fourth session, the General Assembly, recalling its resolutions 52/179 of 18 December 1997 and 53/173 of 15 December 1998, decided to convene a high-level intergovernmental event of political decision makers, at least at the ministerial level, on financing for development.

In this connection, the General Assembly decided to establish an intergovernmental Preparatory Committee, open to all States, to carry out the substantive preparations for the high-level intergovernmental event.

In paragraph 7 of its resolution 54/196, the General Assembly requested the Secretary-General, in consultation with Member States and within the context of paragraphs 20 and 21 of the report of the Ad Hoc Open-ended Working Group of the General Assembly on Financing for Development (A/54/28) and paragraphs 17 and 18 of Economic and Social Council resolution 1999/51, to initiate as soon as possible preliminary consultations with all relevant stakeholders, in particular the World Bank, the International Monetary Fund and the World Trade Organization, on the potential modalities of their participation in both the substantive preparatory process and the high-level intergovernmental event, and also requested the Secretary-General to provide the results of these consultations to the Preparatory Committee for consideration at the first part of its organizational session.

Documentation

Report of the Secretary-General containing the results of the consultations on the potential modalities of the participation of all relevant stakeholders, in particular the World Bank, the International Monetary Fund and the World Trade Organization, in both the substantive preparatory process and the high-level intergovernmental event on financing for development (A/AC.257/1)

4. Arrangements for future sessions of the Preparatory Committee

In resolution 54/196, the General Assembly decided that the Preparatory Committee would hold its resumed organizational session as soon as possible and no later than March 2000 and that the first substantive session of the Preparatory Committee should be held in May 2000.